

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA :

v. :

BRIAN LARRY, and
JASON PANNONE,

Defendants :

No. 3:20 CR 180

FILED
SCRANTON

JUL 28 2020

PER 
DEPUTY CLERK

INDICTMENT

THE GRAND JURY CHARGES:

COUNT 1

Wire and Mail Fraud Conspiracy
18 U.S.C. § 1349

I. Background

At times material to the Indictment:

1. Corporation #1 was an automobile warranty company located in Wilkes-Barre, Pennsylvania, within the Middle District of Pennsylvania. Corporation #1 and its authorized dealers sold, among other things, warranty insurance policies for used automobiles.
2. Defendant BRIAN LARRY was a claims adjuster and claims manager for Corporation #1. BRIAN LARRY's responsibilities included reviewing and approving claims submitted on warranty

insurance policies issued by Corporation #1, and arranging for automobile inspectors to verify the necessity of automobile repair claims submitted to Corporation #1.

3. Village Motors ("Village") was a business located in Providence, Rhode Island. Village provided, among other things, repair services for damaged automobiles.

4. Platinum Auto Services ("Platinum") was a business located in Providence, Rhode Island. Platinum provided, among other things, automobile detailing services.

5. Ultra Auto Center ("Ultra") was a business located in North Attleboro, Massachusetts. Ultra provided, among other things, automobile sales and repair services for damaged automobiles.

6. Defendant JASON PANNONE was an employee at Village, the owner and operator of Platinum, and an employee at Ultra.

7. A Plus Collision Center LLC ("A Plus") was a business located in Providence, Rhode Island. A Plus provided, among other things, collision repair services for damaged automobiles.

8. Matthew Gershkoff was an employee and service manager at Village, a claims appraiser for A Plus, and an employee of various automobile dealerships.

9. Corporation #2 was a business located in Dalton, Pennsylvania, within the Middle District of Pennsylvania.

10. The warranty insurance policies sold by Corporation #1 permitted policyholders to obtain automobile repairs at automobile repair businesses across the nation, including Village, Platinum, A Plus, Ultra, and Corporation #2. Upon receiving and approving claims for automobile repair services covered by Corporation #1's warranty insurance policies, Corporation #1 paid the automobile repair business directly, by way of a credit card account maintained by Corporation #1 at a financial institution.

II. Statutory Allegation

11. From on or about January 8, 2014 through on or about October 2, 2018, in the Middle District of Pennsylvania, and elsewhere, the defendants,

BRIAN LARRY and

JASON PANNONE,

knowingly and unlawfully combined, conspired, confederated and agreed together and with other persons known and unknown to the Grand Jury, to knowingly devise, and intend to devise, a scheme and artifice to defraud Corporation #1, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme and artifice to defraud, and attempting to do so, transmitted and caused to be transmitted by means of wire communication in interstate commerce writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343, and knowingly took and received from an authorized depository for mail matter any matter or thing, in violation of Title 18, United States Code, Section 1341.

III. Manner and Means

The conspiracy was accomplished, in part, by the following manner and means:

12. BRIAN LARRY, JASON PANNONE, and their coconspirators prepared and caused to be prepared invoices that stated

falsely that Village, Platinum, A Plus, Ultra, and Corporation #2 would perform certain automobile repair services listed in the invoices, for policyholders of Corporation #1. BRIAN LARRY provided the information about the policyholders of Corporation #1 necessary to prepare the invoices, to JASON PANNONE and their coconspirators.

13. BRIAN LARRY, JASON PANNONE, and their coconspirators prepared and caused to be prepared verification forms that stated falsely that Village, Platinum, A Plus, Ultra, and Corporation #2 had completed the automobile repair services listed in the invoices, for policyholders of Corporation #1, when in fact policyholders of Corporation #1 had not requested repair services from Village, Platinum, A Plus, Ultra, and Corporation #2, and repair services were not in fact performed.

14. BRIAN LARRY, JASON PANNONE, and their coconspirators, knowing that the invoices and verification forms contained false representations, sent and caused to be sent the invoices and verification forms to Corporation #1 by facsimile, across state lines from Rhode Island to Pennsylvania, and from Massachusetts to

Pennsylvania, to seek payment of the invoices pursuant to warranty insurance policies issued by Corporation #1. The invoices and verification forms bore the forged signatures of the policyholders of the warranty insurance policies issued by Corporation #1.

15. BRIAN LARRY approved payment of the forged and fraudulent invoices pursuant to warranty insurance policies issued by Corporation #1, knowing that the policyholders of Corporation #1 had not requested repair services from Village, Platinum, A Plus, Ultra, and Corporation #2, knowing that no repair services were in fact performed by Village, Platinum, A Plus, Ultra, and Corporation #2, and knowing that the invoices and verification forms faxed to Corporation #1 from Village, Platinum, A Plus, Ultra, and Corporation #2 contained false representations and forged signatures.

16. BRIAN LARRY approved payment of the forged and fraudulent invoices pursuant to warranty insurance policies issued by Corporation #1, without arranging for automobile inspectors to verify the necessity of those repair claims, to avoid detection of the scheme.

17. BRIAN LARRY, JASON PANNONE, and their coconspirators caused Corporation #1 to pay the false invoices by wires from the credit card account maintained by Corporation #1 at a financial institution, to accounts maintained by Village, Platinum, A Plus, Ultra, and Corporation #2 at financial institutions.

18. Coconspirators of BRIAN LARRY withdrew, in cash, funds paid by Corporation #1 to Village, A Plus, Platinum, and Ultra, in satisfaction of the false invoices. The proceeds of the scheme to defraud were divided between BRIAN LARRY, JASON PANNONE, and their coconspirators.

19. In exchange for approving payment of the forged and fraudulent invoices pursuant to warranty insurance policies issued by Corporation #1, BRIAN LARRY received cash kickbacks and other things of value. Coconspirators mailed and caused to be mailed certain cash kickbacks to BRIAN LARRY's residence in the Middle District of Pennsylvania.

20. Between on or about January 8, 2014 through on or about October 2, 2018, BRIAN LARRY, JASON PANNONE, and their

coconspirators obtained in excess of \$400,000 from Corporation #1, through the scheme to defraud.

All in violation of Title 18, United States Code, Section 1349.

THE GRAND JURY FURTHER CHARGES:

COUNT 2
Wire Fraud
18 U.S.C. § 1343

21. The factual allegations in paragraphs 1 through 10 and 12 through 20 are incorporated here.

22. On or about September 25, 2015, in the Middle District of Pennsylvania and elsewhere, the defendant,

BRIAN LARRY,

having devised and intended to devise the above-described scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing the above-described scheme and artifice to defraud, caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, pictures, and sounds; namely, a facsimile from Village to Company #1, seeking payment of an invoice for \$2,774.77.

In violation of Title 18, United States Code, Section 1343.

THE GRAND JURY FURTHER CHARGES:

COUNT 3
Aggravated Identify Theft
18 U.S.C. § 1028A

23. The factual allegations in paragraphs 1 through 10 and 12 through 20 are incorporated here.

24. On or about September 25, 2015, in the Middle District of Pennsylvania, and elsewhere, the defendant,

BRIAN LARRY,

aiding and abetting others, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), namely wire fraud and wire and mail fraud conspiracy, in violation of Title 18, United States Code, Sections 1343 and 1349, knowing that the means of identification belonged to another actual person known to the Grand Jury as D.R.

All in violation of Title 18, United States Code, Sections 2 and 1028A(a)(1).

THE GRAND JURY FURTHER CHARGES:

COUNT 4
Wire Fraud
18 U.S.C. § 1343

25. The factual allegations in paragraphs 1 through 10 and 12 through 20 are incorporated here.

26. On or about May 19, 2016, in the Middle District of Pennsylvania and elsewhere, the defendants,

BRIAN LARRY and
JASON PANNONE,

having devised and intended to devise the above-described scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing the above-described scheme and artifice to defraud, transmitted and caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, pictures, and sounds; namely, a facsimile from Platinum to Company #1, seeking payment of an invoice for \$3,027.

In violation of Title 18, United States Code, Section 1343.

THE GRAND JURY FURTHER CHARGES:

COUNT 5
Aggravated Identify Theft
18 U.S.C. § 1028A

27. The factual allegations in paragraphs 1 through 10 and 12 through 20 are incorporated here.

28. On or about May 19, 2016, in the Middle District of Pennsylvania, and elsewhere, the defendants,

BRIAN LARRY and
JASON PANNONE,

aiding and abetting others and each other, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), namely wire fraud and wire and mail fraud conspiracy, in violation of Title 18, United States Code, Sections 1343 and 1349, knowing that the means of identification belonged to another actual person known to the Grand Jury as S.M.

All in violation of Title 18, United States Code, Sections 2 and 1028A(a)(1).

THE GRAND JURY FURTHER CHARGES:

COUNT 6
Wire Fraud
18 U.S.C. § 1343

29. The factual allegations in paragraphs 1 through 10 and 12 through 20 are incorporated here.

30. On or about November 21, 2017, in the Middle District of Pennsylvania and elsewhere, the defendant,

BRIAN LARRY,

having devised and intended to devise the above-described scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing the above-described scheme and artifice to defraud, caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, pictures, and sounds; namely, a facsimile from A Plus to Company #1, seeking payment of an invoice for \$1,900.

In violation of Title 18, United States Code, Section 1343.

THE GRAND JURY FURTHER CHARGES:

COUNT 7
Aggravated Identify Theft
18 U.S.C. § 1028A

31. The factual allegations in paragraphs 1 through 10 and 12 through 20 are incorporated here.

32. On or about November 21, 2017, in the Middle District of Pennsylvania, and elsewhere, the defendant,

BRIAN LARRY,

aiding and abetting others, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), namely wire fraud and wire and mail fraud conspiracy, in violation of Title 18, United States Code, Sections 1343 and 1349, knowing that the means of identification belonged to another actual person known to the Grand Jury as L.S.

All in violation of Title 18, United States Code, Sections 2 and 1028A(a)(1).

THE GRAND JURY FURTHER CHARGES:

COUNT 8
Aggravated Identify Theft
18 U.S.C. § 1028A

33. The factual allegations in paragraphs 1 through 10 and 12 through 20 are incorporated here.

34. On or about December 14, 2017, in the Middle District of Pennsylvania, and elsewhere, the defendant,

BRIAN LARRY,

aiding and abetting others, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), namely wire and mail fraud conspiracy, in violation of Title 18, United States Code, Section 1349, knowing that the means of identification belonged to another actual person known to the Grand Jury as W.J.

All in violation of Title 18, United States Code, Sections 2 and 1028A(a)(1).

THE GRAND JURY FURTHER CHARGES:

COUNT 9
Wire Fraud
18 U.S.C. § 1343

35. The factual allegations in paragraphs 1 through 10 and 12 through 20 are incorporated here.

36. On or about October 2, 2018, in the Middle District of Pennsylvania and elsewhere, the defendants,

BRIAN LARRY and
JASON PANNONE,

having devised and intended to devise the above-described scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing the above-described scheme and artifice to defraud, transmitted and caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, pictures, and sounds; namely, a facsimile from Ultra to Company #1, seeking payment of an invoice for \$2,063.83.

In violation of Title 18, United States Code, Section 1343.

THE GRAND JURY FURTHER CHARGES:

COUNT 10
Aggravated Identify Theft
18 U.S.C. § 1028A

37. The factual allegations in paragraphs 1 through 10 and 12 through 20 are incorporated here.

38. On or about October 2, 2018, in the Middle District of Pennsylvania, and elsewhere, the defendants,

BRIAN LARRY and
JASON PANNONE,

aiding and abetting others and each other, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), namely wire fraud and wire and mail fraud conspiracy, in violation of Title 18, United States Code, Sections 1343 and 1349, knowing that the means of identification belonged to another actual person known to the Grand Jury as W.S.

All in violation of Title 18, United States Code, Sections 2 and 1028A(a)(1).

THE GRAND JURY FURTHER CHARGES:

COUNTS 11 AND 12

**Mail Fraud
18 U.S.C. § 1341**

39. The factual allegations in paragraphs 1 through 10 and 12 through 20 are incorporated here.

40. From on or about January 8, 2014 through on or about October 2, 2018, in the Middle District of Pennsylvania and elsewhere, the defendant,

BRIAN LARRY,

with the intent to defraud, knowingly devised the above-described scheme and artifice to defraud and to obtain money and property by materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute the above-described scheme and artifice to defraud, knowingly took and received from an authorized depository for mail the following matters, with each being a separate count:

Count	Date of Mailing	Sender	Date of Receipt	Recipient	Description
11	On or about January 6, 2017	Matthew Gershkoff, East Providence, Rhode Island	On or about January 7, 2017	Brian Larry, Wilkes-Barre, Pennsylvania	U.S. Postal Service Priority Mail Express
12	On or about May 8, 2017	Matthew Gershkoff, North Providence, Rhode Island	On or about May 9, 2017	Brian Larry, Wilkes-Barre, Pennsylvania	U.S. Postal Service Priority Mail Express

All in violation of Title 18, United States Code, Section 1341.

THE GRAND JURY FURTHER CHARGES:

COUNT 13
False Statement
18 U.S.C. § 1001

41. The factual allegations in paragraphs 1 through 10 and 12 through 20 are incorporated here.

42. On or about April 9, 2019, in Lackawanna County, within in the Middle District of Pennsylvania, the defendant,

BRIAN LARRY,

did willfully and knowingly make a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the executive branch of the Government of the United States, by stating and representing to special agents of the Federal Bureau of Investigation that BRIAN LARRY never received cash or things of value from Matthew Gershkoff in exchange for approving payment of invoices submitted by Matthew Gershkoff pursuant to warranty insurance policies issued by Corporation #1.

43. The statements and representations were false because, as BRIAN LARRY then and there knew, Matthew Gershkoff provided cash

and things of value to BRIAN LARRY in exchange for approving payment of forged and fraudulent invoices submitted by Matthew Gershkoff and other coconspirators pursuant to warranty insurance policies issued by Corporation #1.

In violation of Title 18, United States Code, Section 1001(a)(2).

A TRUE BILL

DAVID J. FREED
United States Attorney

By:



PHILLIP J. CARABALLO
Assistant United States Attorney

Date: 7-28-20